



**BUILT ENVIRONMENT PERFORMANCE PLAN (BEPP)**  
**2016/17 - 2018/19**  
(DRAFT SUBMISSION)



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## **LIST OF ACRONYMS**

<b>AEL</b>	Air Emissions Licence
<b>APDP</b>	Automotive Production and Development Programme
<b>ATTP</b>	Assistance to the Poor
<b>BEPP</b>	Built Environment Performance Plan
<b>BRT</b>	Bus Rapid Transport
<b>CBD</b>	Central Business District
<b>CDC</b>	Coega Development Corporation
<b>CETT</b>	Corporate Environmental Task Team
<b>CIDZ</b>	Coega Industrial Development Zone
<b>CITP</b>	Comprehensive Integrated Transport Plan
<b>CoGTA</b>	Department of Cooperative Governance and Traditional Affairs
<b>CORPGIS</b>	Corporate Geographic Information Systems
<b>CSIP</b>	Capacity Support Implementation Plan
<b>CSP</b>	City Support Programme
<b>CWWTW</b>	Coega Water Treatment Works
<b>DAFF</b>	Department of Fisheries and Forestry
<b>DBSA</b>	Development Bank of Southern Africa
<b>DEDEAT</b>	Department of Economic Development, Environmental Affairs and Tourism
<b>DME</b>	Department of Minerals and Energy
<b>DORA</b>	Division of Revenue Act
<b>DTI</b>	Department of Trade and Industry

<b>DWA</b>	Department of Water Affairs
<b>DWS</b>	Department of Water and Sanitation
<b>EC</b>	Eastern Cape
<b>ECSECC</b>	Eastern Cape Socio-economic Consultative Council
<b>EDRS</b>	Economic Development & Recreational Services
<b>EIA</b>	Environmental Impact Assessment
<b>EMF</b>	Environmental Management Framework
<b>ETC</b>	Eastern Cape Training Centre
<b>EPRU</b>	Eastern Province Rugby Union
<b>FWFWWTW</b>	Fish Water Flats Waste Water Treatment Works
<b>GGP</b>	Gross Geographic Product
<b>GIS</b>	Geographic Information Systems
<b>GRAP 17</b>	Generally Recognised Accounting Practices (Property, Plant and Equipment)
<b>GVA</b>	Gross Value Added
<b>HAD</b>	Housing Development Agency
<b>HDMS</b>	Housing Delivery Management System
<b>HIV/AIDS</b>	Human Immunodeficiency Virus causing the Acquired Immunodeficiency Syndrome
<b>HSDG</b>	Human Settlements Development Grant
<b>HURP</b>	Helenvale Urban Renewal Programme
<b>ICC</b>	International Convention Centre
<b>ICDG</b>	Integrated City Development Grant
<b>ICLEI</b>	International Council for Local Environmental Initiatives
<b>IDP</b>	Integrated Development Plan
<b>IDZ</b>	Industrial Development Zone
<b>IHHSG</b>	Integrated Housing and Human Settlements Grant
<b>ILIS</b>	Integrated Land Information System
<b>INEP</b>	Integrated National Electrification Programme
<b>IPTS</b>	Integrated Public Transport System
<b>IT</b>	Information Technology
<b>ITP</b>	Integrated Transport Plan
<b>LAMS</b>	Land Asset Management System
<b>LED</b>	Local Economic Development
<b>LSDF</b>	Local Spatial Development Framework
<b>LTFS</b>	Long Term Financial Strategy
<b>LUMS</b>	Land Use Management System

<b>MBDA</b>	Mandela Bay Development Agency
<b>MDTTT</b>	Multi-Disciplinary Technical Task Team
<b>MIDP</b>	Motor Industry Development Programme
<b>Multi OEM</b>	Multi Original Equipment Manufacturers Complex
<b>MOSS</b>	Metropolitan Open Space System
<b>MRF</b>	Materials Recovery Facility
<b>MSW</b>	Municipal Solid Waste
<b>MURP</b>	Motherwell Urban Renewal Programme
<b>NDP</b>	National Development Plan
<b>NDP</b>	Neighbourhood Development Partnership
<b>NDPG</b>	Neighbourhood Development Partnership Grant
<b>NEMA</b>	National Environmental Management Act
<b>NFSD</b>	National Framework for Sustainable Development
<b>NLLS</b>	Nooitgedacht Low Level Scheme
<b>NMBBC</b>	Nelson Mandela Bay Business Chamber
<b>NMBM</b>	Nelson Mandela Bay Municipality
<b>NMBM IDP</b>	Nelson Mandela Bay Municipality's Integrated Development Plan
<b>NMBMM</b>	Nelson Mandela Bay Metropolitan Municipality
<b>NMMOSS</b>	Nelson Mandela Metropolitan Open Space System
<b>NMMU</b>	Nelson Mandela Metropolitan University
<b>NSSD</b>	National Strategy for Sustainable Development
<b>PE</b>	Port Elizabeth
<b>NT</b>	National Treasury
<b>PDoHS</b>	Provincial Department of Human Settlements
<b>PICC</b>	Presidential Infrastructure Coordinating Commission
<b>PPC</b>	Pretoria Portland Cement Company
<b>PPF</b>	Project Preparation Facility
<b>PRASA</b>	Public Rail Authority of South Africa
<b>PTIG</b>	Public Transport Infrastructure Grant
<b>PTIS</b>	Public Transport Infrastructure and Systems
<b>PTISG</b>	Public Transport Infrastructure and Systems Grant
<b>PTNO</b>	Public Transport Network Operator
<b>PTOG</b>	Public Transport Operating Grant
<b>PTP</b>	Public Transport Plan
<b>RDP</b>	Reconstruction and Development Programme

<b>RE Scheme</b>	Return Effluent Scheme
<b>ROD</b>	Record of Decision
<b>SALGA</b>	South African Local Government Association
<b>SANRAL</b>	South African National Roads Agency Limited
<b>SAPS</b>	South African Police Services
<b>SCU</b>	Sustainable Community Unit
<b>SCUs</b>	Sustainable Community Units
<b>SDBIP</b>	Service Delivery and Budget Implementation Plan
<b>SDR</b>	Strategic Development Review
<b>SEZ</b>	Special Economic Zone
<b>SIPs</b>	Strategic Infrastructure Projects
<b>SMP</b>	Sanitation Master Plan
<b>SOE</b>	State Owned Enterprise
<b>SPLUMA</b>	Spatial Planning and Land Use Management Act
<b>SPUU</b>	Safety and Peace through Urban Upgrading Programme
<b>SRA</b>	Special Rating Area
<b>StatsSA</b>	Statistics South Africa
<b>TNPA</b>	Transnet National Ports Authority
<b>UNS</b>	Urban Network Strategy
<b>USDG</b>	Urban Settlements Development Grant
<b>W&amp;S</b>	Water and Sanitation
<b>WMP</b>	Water Master Plan
<b>WtE</b>	Waste-to-Energy
<b>WUL</b>	Water Use Licence
<b>WWTW</b>	Waste Water Treatment Works

## **REFERENCE DOCUMENTS IN PREPARING THE BEPP**

The following documents have served as reference documents in the preparation of the 2016/17 BEPP:

Algoa Water Reconciliation Study, 2012  
 ANC Election Manifesto, 2014  
 Budget Speech by South African Minister of Finance, 2014  
 Built Environment Performance Indicators (Draft)  
 Cities Support Programme: Built Environment Performance Plans (BEPPs) Guidance Note, 2014  
 BEPP, 2015/16 approved by Council in June 2014  
 City Support Implementation Plan, 2015  
 Comprehensive Integrated Transport Plan, 2011  
 Demographic Update for NMBM by Development Partners, 2007  
 Human Settlements Spatial Planning Framework (SPF) - Concept Note, 2014  
 Informal Settlements Upgrading Plan, 2008  
 Infrastructure Maintenance Backlog Assessment, 2011  
 National Development Plan, Vision 2030  
 Nelson Mandela Bay Industrial Development Strategy 2012  
 NMBM 2014/15 Integrated Development Plan  
 NMBM Draft Budget 2015/16  
 Human Settlements Strategic Framework 2030, 2012  
 NMBM Local Government Turnaround Strategy, 2010  
 NMBM Metropolitan Spatial Development Framework, 2009  
 NMBM Sanitation Master Plan, 2012  
 NMBM Water Master Plan, 2006  
 NMBM Municipal Waste Diversion and Beneficiation, 2015 (an Extract)  
 Proposed high-level Housing Strategy for Nelson Mandela Bay Municipality, December 2012 by Shisaka Development Management Services  
 SA Census 2011, Stats SA, 2011  
 Strategic Development Review - NMBM 2014  
 Supplementary Note to the Guidelines for BEPP 2015/16 - 2017/18  
 Sustainable Communities Planning Guide, 2007

# **1. INTRODUCTION AND BACKGROUND**

## **1.1 INTRODUCTION**

This Built Environment Performance Plan (BEPP) follows the BEPP content and format provided by National Treasury in the Guidance Note (National Treasury, Cities Support Programme: BEPP Guidance Note for 2016/17 – 2018/19 (issued on 21 October 2015.)). It should be read in conjunction with the prior annual BEPP submissions for additional background information.

A Strategic Review of the Built Environment is attached as Annexure “A”. This strategic review contains updated information that was contained in the 2015/16 BEPP. The Strategic Review contains important contextual information for this Draft BEPP.

## **1.2 PURPOSE OF THE BEPP**

The BEPP is a requirement of the Division of Revenue Act (DoRA) in respect of the various infrastructure grants related to the built environment of metropolitan municipalities. It is submitted to National Treasury in order to, *inter alia*, access the following conditional grants:

- Integrated City Development Grant (ICDG)
- Urban Settlements Development Grant (USDG)
- Human Settlements Development Grant (HSDG)
- Public Transport Infrastructure Grant (PTIG)
- Neighbourhood Partnership Development Grant (NDPG)
- Integrated National Electrification Grant (INEP)

The BEPP aims to demonstrate the use of these grants for the purpose of spatial restructuring through targeting capital expenditure in areas that will maximise the positive impact on citizens, leverage private sector investment, and support growth and development towards a transformed spatial form and a more compact city.

This Built Environment Performance Plan builds the foundation for refinement and consolidation of the prior BEPP's particularly the 2015/16 BEPP by:

- Emphasising spatial planning and prioritisation through:
  - Spatial Targeting- prioritising Integration Zones
  - Local area planning
  - Greater catalytic project preparation detailing
  - Recognising the need for intergovernmental planning and sector alignment
  - Working towards a strategy for the prioritised Integration Zone
- Better articulating the required Urban Network Strategy investments in order to maximise provincial, national and State Owned Enterprises investments.
- Better defining a pipeline of catalytic urban development projects

### **1.3 ADOPTION OF THE BEPP BY COUNCIL**

The 2016/17 BEPP is to be adopted by Council by 31 May 2016 and submitted to National Treasury in compliance with DoRA.

### **1.4 SELF ASSESSMENT OF BROAD LEVEL COMPLIANCE**

Notwithstanding aspects as they are covered in the body of this report, a snapshot self-assessment of the fulfilment of the guidance note BEPP 2016/17 – 2018/19 focus areas in relation to this BEPP is as follows.

**TABLE 1 : BEPP Compliance.**

<b>CRITERIA REQUIRED</b>	<b>SUB ASPECT</b>	<b>COMPLIANCE COMMENT</b>
Completion, refinement and consolidation of previous focus areas	Identification, refinement and consolidation of Urban Network Strategy and Integration Zones.	The Urban Network Strategy has been refined since the 2015/16 BEPP and Integration Zones identified.
	Improved Transit Oriented Development interfaces	This area is not yet fully developed. The principle of TOD is adhered to in broad level planning and planning aligned to housing programmes. This is also evident in respect of the Metropolitan Spatial Development Framework, the Sustainable Community Planning Methodology of the NMBM, the Comprehensive Integrated Transport Plan and the identification of Integration Zones. The IPTS system in NMBM is under review. Specific projects will be dealt with in more detail once detailed precinct plans in Integration Zones are finalised. Precinct planning is expected to be completed in the 2015/16 financial year.
	Identification and packaging of a pipeline of catalytic projects within Integration Zones	The catalytic projects of NMBM according to the 2015/16 BEPP guideline definition have been identified and refined in this BEPP.
	Upgrading and development of	A comprehensive programme is in place for the upgrading of all

CRITERIA REQUIRED	SUB ASPECT	COMPLIANCE COMMENT
Completion, refinement and consolidation of previous focus areas <i>(continued)</i>	informal settlements and interventions for marginalised areas.	informal settlements in NMBM including in situ upgrading and necessary relocations to greenfield developments.
Spatial planning and project prioritisation	Spatial Targeting: Identify Informal Settlements	All informal settlements are identified, prioritised. and programmed for upgrading in terms of a project readiness matrix.
	Spatial Targeting: Identify areas of growth- Commercial and Industrial	These are identified
	Spatial Targeting: Identify priority Integration Zones	The Integration Zones have been re-prioritised. The Integration Zone Matrix is partially completed in this Draft BEPP and will be completed in the final BEPP submission. Non- investment activities have not yet been identified
	Precinct Planning	Thus far no precinct plans have been completed for Integration Zones. The precinct planning for Ibhayi, Bethelsdorp and Motherwell are prioritised and due for completion in the 2015/16 financial year.
	Project preparation for selected key catalytic urban development	The catalytic projects have been re-assessed and identified. The DBSA PPF has been used to assess viability of two CBD

CRITERIA REQUIRED	SUB ASPECT	COMPLIANCE COMMENT
Spatial planning and project prioritisation (continued)	projects	<p>projects and a ULI Panel for the Baakens Valley/ Port Precinct CBD catalytic project has taken place.</p> <p>Work on all 14 catalytic projects is underway with partial implementation in some areas. The project articulation and implementation requirements will continue.</p> <p>A fiscal impact assessment for two development scenarios is underway.</p>
	Intergovernmental planning and sector alignment.	<p>This area requires more work and co-ordination. Poor alignment exists with the Provincial government in respect of the provision of health and education facilities for housing developments. This will continue to be pursued.</p> <p>Funding for the key infrastructure projects (e.g. Nooitgedacht), needs to be more vigorously addressed at an intergovernmental level.</p>

CRITERIA REQUIRED	SUB ASPECT	COMPLIANCE COMMENT
Spatial planning and project prioritisation (continued)	Develop a strategy for prioritised Integration Zones	The strategies for the Integration Zones have preliminarily been identified in the template. These strategies now need to be consciously developed and articulated in the BEPP context. No special land regulatory arrangements are currently in place in the identified integration zones.
Intergovernmental Project Pipeline		The template for the metropolitan project pipeline has been completed in draft and is an annexure to this Draft BEPP. A State Owned Enterprises workshop was held in September 2015 to establish a common agenda with SOE's. This needs to be developed further in the course of 2015/16.
Capital Funding	Long Term Financing Strategy (LTFS)	This is not in place. Through the Capacity Support Implementation plan work on a LTFS has commenced.
Implementation	Identification of planning and implementation status of catalytic projects.	The catalytic projects are identified as well as those in planning and those in implementation phase. This information is contained in the Catalytic Urban Development Project Pipeline Template.

<b>CRITERIA REQUIRED</b>	<b>SUB ASPECT</b>	<b>COMPLIANCE COMMENT</b>
Urban Management	Plans for urban management per precinct in each integration zone.	Priority precincts and growth nodes are preliminarily identified. Urban Management Plans are not in place.

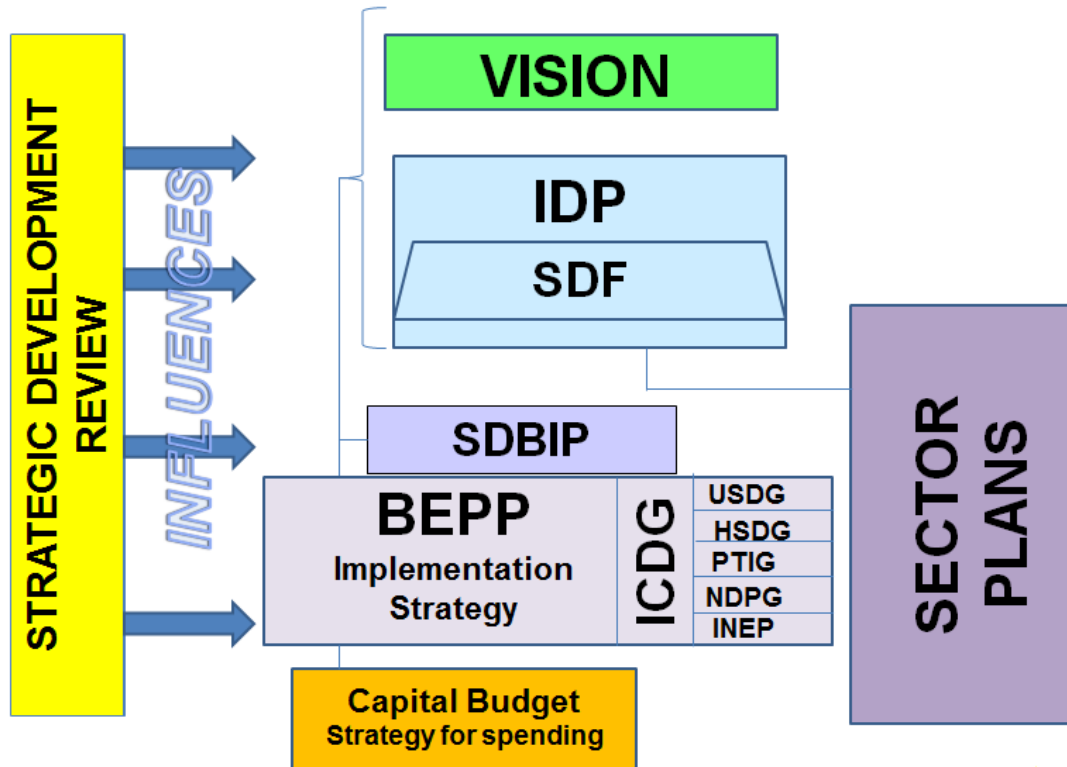
### **1.5 PLANNING ALIGNMENT BETWEEN BEPP, IDP, SDF AND BUDGET**

The BEPP is to be read together with, and is complementary to, the Municipality's key strategic documents, including the Integrated Development Plan (IDP), the Budget, the Spatial Development Framework (SDF) and the Comprehensive Integrated Transport Plan.

The BEPP can be seen to represent the investment strategy of the Municipality in fulfilling its objectives of equitable city development, transformed spatial form and more compact city development.

The following diagram can be seen to reflect the interrelationship between the BEPP and key strategic programmes/plans of the City:

FIGURE 1: Strategic Plan relationship to the BEPP

**SDR/IDP/BEPP/SDF/BUDGET RELATIONSHIP**

An exercise is being specifically undertaken to maximise the alignment between the BEPP, IDP SDF and Budget. A Task Team has been established to drive this process which is being politically led by the political portfolio head of Budget and Treasury. It is anticipated that this alignment will be achieved in the finalisation of the 2016/17 BEPP, IDP and Budget.

## **1.6 STRATEGIC DEVELOPMENT REVIEW**

During 2014 it was acknowledged that a number of indicators show that the NMBM has entered a low growth trap which weakens long term prospects for economic growth, poverty reduction, and threatens the fiscal sustainability of the municipality.

Economic performance of the metro is weak with low investor confidence, joblessness and widespread economic exclusion. Although the metro has made impressive strides in expanding access to housing and basic services, this very success threatens the fiscal viability of the metro over the long term as low payment levels and rising operating costs erode its capacity to fund the significant investments required in infrastructure extension, maintenance and replacement.

The City Support Programme enabled a Strategic Development Review (SDR) through engagement with the political and administrative leadership. This review assessed the development challenges and opportunities facing the city and initiated a strategic planning process which involved the development of a number of possible scenarios linked to important development choices to be made.

It became clear from the analysis and the scenario planning exercise that the NMBM leadership needed to develop and sustain a consistent and mutually reinforcing set of initiatives and programmes (embracing financial, economic, developmental and organisational themes) to maintain a virtuous growth cycle which can meet the challenges facing the city over the long term.

It has been agreed that a shift of the development trajectory of the metro is required. This shift has been summarised as the “walking together for growth” scenario and calls for bold, strategic and disciplined leadership so that, by 2030, the metro is a dynamic, creative city of choice for residents and investors.

The decisions required in the "walking together for growth" scenario have been agreed as follows:

### **Decision 1: establish a single organisational planning process**

The city must significantly strengthen strategic planning systems, to ensure they are consistent, mutually reinforcing and provide an effective guide to development. A lack of integration between major planning instruments, particularly with respect to human settlements, public transport and land use management makes a significantly negative contribution to the built environment outcomes experienced in the metro area.

In order to strengthen strategic planning the city leadership should establish a strategic planning centre for the organisation, with capacity to: (i) exercise strong technical oversight of sectoral planning within a framework established by the Spatial Development Framework; and (ii) undertake extensive monitoring, evaluation and data analysis to drive empirically based policy formulation

The metro itself cannot control economic growth, so it must behave strategically with the powers it has and build the partnerships it needs to facilitate growth. Moreover, it must carefully choose what it seeks to do, as well as what it does not seek to do.

The single organisational planning process must have the Spatial Development Framework at its centre, because of the need to redefine the urban space economy for inclusive and sustainable growth. The current low density, sprawling urban form of the metro area has long been identified as an obstacle to equitable, sustainable and efficient development. Yet current city development strategies have continued to perpetuate – and in some cases entrench – this urban form. This has imposed long term costs on the municipality, households and businesses that are emerging as a significant constraint to future growth and poverty reduction.

## **Decision 2: Implement a more strategic budget process**

The existing budget process has many deficiencies: it has a very technical character, and there is no space for discussion of strategic and political imperatives and their budget implications. This reinforces a 'business as usual' approach by spending departments. Furthermore, consultation starts very late in the process and while the final budget may be technically sound (i.e. it could be approved by NT as a funded budget) it lacks credibility with the political leadership, community organisations, and parts of the business sector. Such a budget is undermined from the moment it is adopted, and does not achieve its main purposes, namely to ensure that the budget reflects strategic choices, and that spending stays within the budget.

However, a municipal budget should be (a) strategically and technically well-considered; (b) financially-constrained; (c) politically-determined; and (d) broadly consulted and supported.

A strategically well-considered budget will ensure that spending shifts away from low priority and unaffordable projects and programmes towards essential and high priority projects and programmes. It will not merely react to the latest pressures but forge a deliberate path in the chosen strategic direction. It will be policy-driven (i.e. it will respond to strategic choices that are clearly articulated), especially in relation to the built environment and economic growth.

A technically well-considered budget will provide for an operating surplus of at least 15%, to ensure that the metro can afford capital programmes on a reasonable scale.

A financially-constrained budget will be funded (cash inflows will be sufficient to cover cash outflows). This is likely to require mandatory savings across the organisation, reprioritisation of major programmes, accelerated generation of trading surpluses through service expansion (even to surrounding municipalities), and evaluations of returns on asset portfolios

A politically-determined budget should reflect - within the available resources - political and strategic priorities; and a broadly consulted and supported budget should be able to win broad agreement among community, business and other social sectors that the budget is appropriate and correct. Without these the city budget will not be able to resist pressures to be continually amended, and so will not be effectively implemented.

### **Decision 3: Refocus all activities around developmental programmes**

The city leadership has made a strategic decision to refocus its attention, priority actions and activities to support and facilitate more inclusive economic growth in the metro.

The core strategic shift required in the approach of the city is from a Welfarist approach to a Developmental one. While the welfarist approach has expanded access to social package of housing and basic services, it has not enabled the local economy to grow in ways that can provide opportunities to the majority of residents. It has left the city caught in a welfarist dilemma: the more successful it is in providing a social package the less sustainable the municipality – and the social package - becomes over the long term.

A developmental approach is one where the city is able to enter a virtuous cycle of growth, where carefully selected infrastructure investment triggers increased economic activity and rising property prices. This, in turn, allows the city to collect growing service charge revenues from a rising number of non-poor households, and growing property tax revenues as prices rise. And this expands the ability of the city to invest in further infrastructure. Entering this virtuous, developmental cycle requires city to interface more actively with land markets, both to enable increasing number of households to participate and benefit meaningfully from land market activity in the city, and to garner the revenue benefits.

Effective infrastructure programmes are the key to the city entering this virtuous cycle. The current investment portfolio represents the only chance the city has to get this right, both due to their scale and the absence of any additional sources of finance. It is thus essential that the city urgently seek to rebalance the social and economic dimensions of the portfolio to ensure that it will generate appropriate returns though expanding the revenue base of the city and re-establishing at least a basic operating surplus.

The city leadership has already identified the need to build a more compact and inclusive spatial framework for the city, based on transit oriented development corridors (or integration zones) that are outlined in its Spatial Development Framework and Built Environment Performance Plan. For this decision to be effective, it now needs to ensure that its sectoral development policies complement this approach.

#### **Decision 4: Rebuilding organisational stability and integrity**

The multiple organisational weaknesses that currently limit the effective capacity at NMBM require that the following specific actions be undertaken:

- Strengthen the strategic centre of the organisation (the offices of the CM, COO and CFO), locate all strategic planning and major operational planning in this centre, and ensure regular meetings of the entire top management of NMBM;
- Establish a correct and cooperative relationship between political and administrative structures that recognises the different responsibilities and accountabilities of political leaders and officials;
- Re-establish trust and the ability to work across silos through appropriate teambuilding activities;
- Radically enhance administrative productivity by leadership modelling of the necessary changes in behaviour, investing in staff seeking to institutionalise these changes; and improving the management of performance;

- Strengthen integrity systems and ensure that they respond to causes rather than symptoms; enhance transparency and predictability; and strengthen and protect the internal audit function

#### **Decision 5: Rebuild social partnerships**

The city leadership will need to work hard to create social consensus and build social capital, as it will not be possible to be effective unless some success has been achieved in this sphere.

There will need to be a sense of trust built around a 'new deal' and a new social coalition. There will have to be a shared sense of the challenges being faced, and a shared commitment to facing those challenges.

Some essential initiatives in this sphere should be:

- a programme with clear messaging and news and innovative channels of communication, particularly with the urban youth, unions and business sectors;
- Develop new means of community engagement, in consultation and oversight, in order to re-invigorate the relationship with communities. Test new mechanisms of community oversight of service delivery in selected areas: community scorecards, social audits. Re-examine (change and broaden) the roles of ward committees.
- Develop new means of engaging social partners for development.

Detailed recommendations to support the above decisions have been adopted in July 2015 are in the process of being re discussed with the new political and changed administrative leadership.

The results of the Strategic Development Review will influence the major strategic documents of the Municipality such as the long-term vision, the IDP, the Spatial Development Framework and organisational structure. These processes are underway for completion by May 2016.

## 1.7 LONG-TERM VISION

The Municipality's long-term Vision is as follows:

*'To be a globally competitive and preferred Metropole that works together with the people.'*

Now that the Strategic Development Review exercise has been completed, it will influence the preparation of a multi-sectoral vision towards 2030 in line with the Strategic Development Review. This process is underway and will be finalised for inclusion in the 2016/17 IDP and final BEPP.

The following are the institution's strategic objectives, as contained in the 2015/16 IDP (NMBM IDP Office, 2015):

- Ensuring access to basic services for all resident communities in Nelson Mandela Bay.
- Developing and sustaining spatial, natural and built environments.
- Providing integrated and sustainable human settlements.
- Addressing the challenges of poverty, unemployment and social inequality.
- Fostering a safe, secure and healthy environment for both employees and communities.
- Positioning Nelson Mandela Bay as a destination of choice for both investors and tourists through the development of a prosperous and diverse economy.
- Accelerating service delivery through the acquisition and retention of competent and efficient human capital.
- Ensuring sound financial management and viability.
- Ensuring integrated service delivery amongst the three spheres of government, including government agencies, as well as sharing knowledge and experience with other local authorities in the country and internationally.

- Entrenching a culture of public participation in municipal planning, budgeting and decision-making processes.
- Ensuring responsive, accountable and clean government that mitigates risks and ensures internal control efficiency and effectiveness.

These strategies are encapsulated in the Municipality's five key IDP performance areas, namely:

- Basic Service Delivery and Infrastructure Development.
- Local Economic Development.
- Municipal Transformation and Organisational Development.
- Municipal Financial Viability and Management.
- Good Governance and Public Participation.

## **1.8 CAPACITY SUPPORT IMPLEMENTATION PLAN (CSIP)**

During the course of preparation of this BEPP, the Capacity Support Implementation Plan has been further implemented. The CSIP identifies a number of programmes of support for the NMBM through the City Support Programme of National Treasury. As these programmes are further developed, they will influence the critical sections of the BEPP relating to strategies and programmes, outcomes and outputs and institutional and financial arrangements.

It is important to note that since February 2015 there has been a political and administrative intervention by the Department of Co-operative Governance and Traditional Affairs (CoGTA) in the Nelson Mandela Bay Municipality.

This has caused the Capacity Support Implementation Plan (CSIP) to be aligned directly with the work of five Technical Task Teams that have been established in NMBM to cover the five “Back to Basics” campaign areas, namely:

- Putting people first – listening to the people.
- Service delivery
- Good Governance
- Sound Financial Management
- Institutional development

The following table identifies the Capacity Support Implementation Plan (CSIP) currently being undertaken through the City Support Programme of National Treasury and the status of those programmes on 1 November 2015.

**TABLE 2: Capacity Support Implementation Plan**

<b>Type of project</b>	<b>No.</b>	<b>Project</b>	<b>Brief Description</b>	<b>Status as at 1 November 2015</b>
<b>Strategic review</b>	1	Strategic development review	NMBM has entered a low growth trap to weaken long term economic and poverty reduction prospects. A diagnostic was done on major economic, fiscal, developmental and administrative challenges facing NMBM. This has led to the adoption of a "Walking Together For Growth Scenario" which identifies major choices to turn the NMBM around to a growing economy with sound administration.	Detailed recommendations are being implemented.
<b>Organisational</b>	3	Organisational change management support	NMBM faces severe organisational challenges. These have included instability, political/ administrative blurring, problems with legal compliance and an extremely poor labour relations environment. The organisational structure also requires review to align the institution with its strategic objectives. The work will include a review of the organisational structure; advice on the labour relations environment, and if appropriate teambuilding and coaching of management team to build a strong management team	Consultant procured, work to begin in November 2015.

Type of project	No.	Project	Brief Description	Status as at 1 November 2015
<b>Organisational (cont.)</b>	3	Integrity strategy development & implementation	NMBM faces many allegations of corruption. There are also many internal audit reports as well as wider reaching reports such as the Kabuso and Pikoli reports that indicate an organisational culture lacking in integrity, trust and ethics. The local press constantly publicises articles which question the ethics and integrity of officials and politicians within the organisation. The project aims to develop processes that will strengthen integrity systems and enhance levels of transparency.	HSRC is appointed to assist NMBM to develop an integrity strategy and define critical processes. This project will be prioritised in 2016/17.
	4	Expanding modalities for citizen engagement	There is widespread distrust and there are constant challenges to city initiatives due to inadequate and inappropriate consultation and citizen engagement. In addition there are constant protests challenging the institution. The IDP/budget participation processes can be greatly enhanced. The intention is to develop processes through which citizen trust can be enhanced and with proper participation lead to credible and well understood IDP and budget processes.	HSRC appointed to assist the NMBM to develop a Citizen Engagement strategy and define critical processes. A preliminary report was prepared by HSRC with certain proposals in April 2015. This project will be prioritised in 2016/17.

Type of project	No.	Project	Brief Description	Status as at 1 November 2015
<b>Financial</b>	5	Financial planning support	<p>NMBM has difficulty to adequately assess capital and operating priorities. This project seeks to introduce an appropriate capital prioritisation and planning system. It also seeks to assist in the development of a Long Term Financial Sustainability Strategy (LTFSS).</p> <p>A further aspect to be addressed is an improvement of the IDP Budget processes and alignment. The intention is to establish a credible budget planning process within the NMBM that addresses the key issues proactively and timeously to support a smooth budget process.</p>	<p>NT has provided capacity to work with Budget &amp; Treasury to develop the LTFSS. The alignment of the IDP /Budget and BEPP is underway.</p> <p>Capital budget prioritisation mechanisms are being investigated.</p>
	6	Revenue strategy & management support	<p>The current budget preparation processes indicates inappropriate tariff structures, increasing gross debtors and inadequate revenue system functionality. Review current tariff structures, compare them to service delivery costs and affordability of debtors; and suggest changes which could be more appropriate; review revenue system functionality and performance and advise on possible improvements; review and advise on suggested approaches to collecting the debtors book.</p>	<p>This will continue into the new budget cycle with continued CSP support. This project will be prioritised in 2016/17.</p>
	7	Infrastructure financing support	<p>There are 3 strategic water services projects well placed to support poverty reduction and promote economic development. These are bucket eradication, Phase two of the Nooitgedacht WWTW and Fishwater Flats</p>	<p>World Bank appointment</p> <p>The approach to Fish Water Flats- needs to be</p>

Type of project	No.	Project	Brief Description	Status as at 1 November 2015
<b>Financial (cont.)</b>			WWTW. The project involves high level strategic evaluation of the current proposals and to make recommendations on approaches to accelerate implementation.	reconsidered - reports have been prepared and the need and approach will be reviewed. Mechanisms are being explored for funding FWFWWTW as well as Coega WWTW. This project will be prioritised in 2016/17.
<b>Policy</b>	8	Long term development planning support	NMBM has no substantive development vision and strategy. The intention is develop a short , medium and longer term development vision and strategy by managing the development of the BEPP , SDF, Transport planning and housing programme and other strategic documents and ensuring that they are effectively aligned and feed into the annual processes generating the budget and IDP. This is to be led by the SDR report findings and decisions.	This process is underway with the support of the City Support Co-ordinator.

Type of project	No.	Project	Brief Description	Status as at 1 November 2015
<b>Policy (cont.)</b>	9	Spatial development framework review	The NMBM has an SDF that needs alignment with major strategic thinking and needs to have widespread multi sectoral political credibility and support. The intention is to review the SDF proposals and built environment strategy to ensure alignment with the BEPP, IDP, SDR, budget and other key strategic documents and to workshop the products extensively with the assistance of experts.	Terms of reference developed.  This project will be prioritised in 2016/17.
	10	Land use management options, policy & practices	NMBM is a very low density city, slow growth and many development rights already allocated. It is required to review effective use land use management instruments and policies to increase densities and achieve SDF goals. Understanding property market and to instruments to change land use, in line with a revised IDP, BEPP and SDF, taking SPLUMA into account is required.	Terms of reference developed.  This project will be prioritised in 2016/17.
	11	Public Transport Review	The planned IPTS has been identified as unaffordable and unsustainable in its present form. There is an urgent need for a review of the current IPTS which has the potential to put the city in significant fiscal risk in the short to medium term. There has been open criticism of governance and management of the IPTS system.  It is intended to review of the current system to determine the best affordable public transport system and determine whether the current	World Bank has been appointed and has conducted extensive work. Initial reports have been prepared and engagements have taken place with NMBM role

Type of project	No.	Project	Brief Description	Status as at 1 November 2015
<b>Policy (cont.)</b>			system and routing been optimally planned. It will also involve a review of institutional arrangements and the structure of the current institution overseeing public transport implementation.	players. This is presently being reviewed.
	12	Human settlements support	It is intended to conduct a review of Land and Housing market trends and to develop proposals to revise the NMBM policies. NMBM has successfully provided RDP housing, however it is clear from the SDR that this is unsustainable. Alternative more sustainable housing strategies need to be developed and implemented.	Appointment is underway for work to take place in the 2015/16 financial year.
<b>Economic</b>	13	City economic development strategy	No comprehensive Economic Development strategy for NMBM exists. An industrial strategy and an LED strategy exist in isolation of other essential elements. Partnerships are weak, and there is limited understanding within the city government of the structure and dynamics of the city economy, or how city resources could be allocated and focussed to optimise economic development. It is intended to work with the city to enable the development of a coherent and complementary Economic Development Strategy.	World Bank team provided a preliminary report. A course on economic development by National Treasury through the CSP for all Metros, will be held in November 2015 which will take this process further.  This project will be prioritised in 2016/17.

Type of project	No.	Project	Brief Description	Status as at 1 November 2015
<b>Economic (cont.)</b>	14	Economic development interventions	<p>Proposals for tourism mega projects have existed for some years, and although detailed proposals (business plans) have been developed for some of these, they are now out of date. There is a need to review the tourism development strategy and the place of the mega projects in this strategy. In addition, there is a need to develop an economic development perspective of the NMBM spatial form, as a contribution to the NMBM spatial development framework (SDF).</p> <p>It is intended to conduct a study of existing mega projects and to review tourism potential and strategy with a view to developing recommendations on strategy and projects; develop spatial perspective of economic development at NMBM; development of detailed business plans for selected mega projects.</p>	<p>World Bank Experts have visited the NMBM and a preliminary report has been prepared which needs to be taken further with specific reference to a tourism strategy.</p> <p>This project will be prioritised in 2016/17.</p>

## **2. SPATIAL PLANNING AND PROJECT PRIORITISATION**

### **2.1 SPATIAL TARGETING**

#### **2.1.1 SPATIAL DEVELOPMENT STRATEGY**

The NMBM Spatial Development Strategy is articulated in a number of documents. These are identified and elaborated upon below.

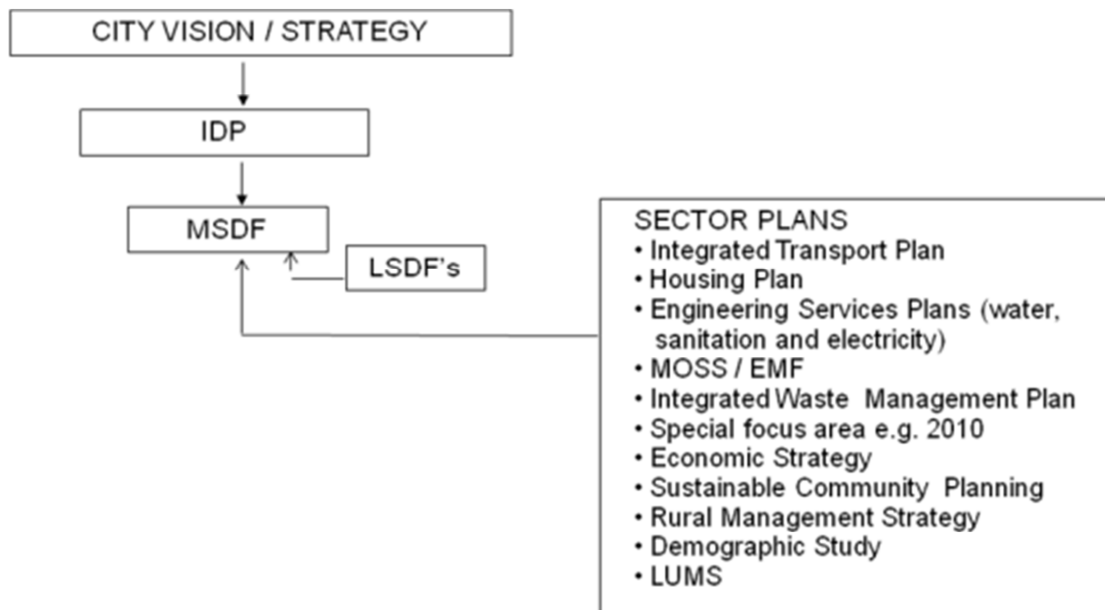
##### **2.1.1.1 Metropolitan Spatial Development Framework (MSDF)**

To ensure sustainable growth and development in Nelson Mandela Bay, it is vital that all strategic planning processes are aligned and fully integrated, so that development does not take place in an *ad hoc* or fragmented manner. Key to this, is the development of a shared long-term vision and strategic plan. This is discussed above.

This strategic document will inform future integrated development planning, which will in turn inform the Spatial Development Framework of the Municipality. The Metropolitan Spatial Development Framework (MSDF), contains a number of key sector plans that are necessary for development.

The Metropolitan Spatial Development Framework in turn informs the Local Spatial Development Frameworks (LSDFs), which are more specific and location bound.

These frameworks are supported by an Integrated Land Use Management System (LUMS). The diagram below reflects these linkages:

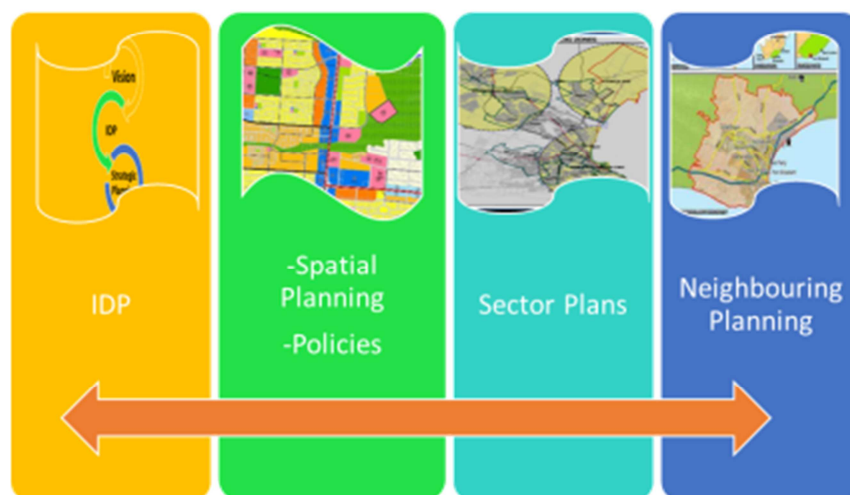
**FIGURE 2: Relationship between Strategic Documents of the NMBM**

Source: NMBM , 2012

The Metropolitan Spatial Development Framework outlines the desired spatial development of the metropolitan area, as contemplated in Section 25(e) of the *Municipal Systems Act* (Act 32, 2000). It also highlights priority investment and development areas, and therefore serves as a guide to decision-makers and investors. It should be emphasised that the MSDF is an integral component of the IDP and represents the spatial implications to provide broad, overall developmental guidelines. This tool must therefore not be used in isolation, but must support decision-making within the context of the IDP and the long-term vision and strategic plan.

**FIGURE 3: Vertical Alignment between IDP and SDF****VERTICAL ALIGNMENT WITH IDP AND SDF**

Source NMBM, 2015

**FIGURE 4: Horizontal Alignment of Spatial Planning Frameworks****HORIZONTAL ALIGNMENT OF SPATIAL PLANNING**

Source: NMBM 2015

The current draft of the MSDF is under review for the 2016 /17 period. It is to be aligned with the Strategic Development Review, BEPP (including the

Urban Network Strategy) and does not conflict with other development strategies, locally, nationally, provincially and regionally

#### **2.1.1.1.1 Spatial Development Framework proposals**

Three focal points in the Metropolitan Spatial Development Framework are regarded as key in achieving restructuring, integration and sustainability.

These are discussed below and are:

- The Sustainable Community Planning Methodology
- Corridors and access
- Economic Development and growth

##### ***2.1.1.1.1.1 Sustainable Community Planning Methodology***

The existing pattern of development in Nelson Mandela Bay is the result of segregation-based planning. The structuring not only separates different racial groupings in geographical terms, but has also resulted in great disparities in standards of living, as well as access to infrastructural services, employment, and cultural and recreational facilities. As these imbalances serve as constraints for redevelopment, they should be addressed and rectified.

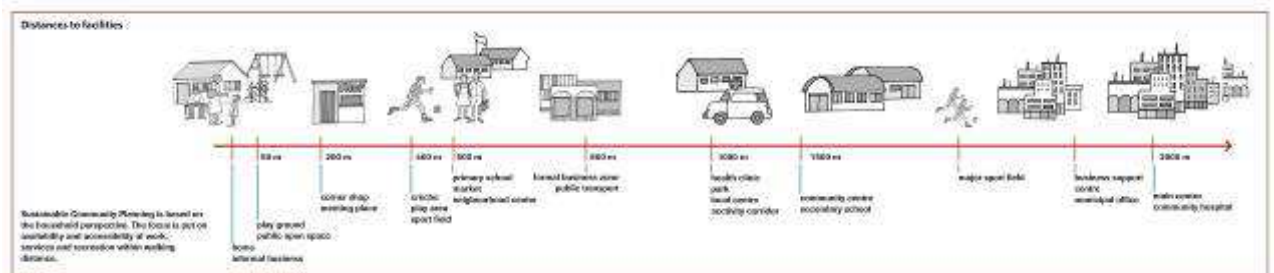
Sustainable Community Units (SCUs) have been introduced to achieve a more balanced structure in Nelson Mandela Bay, in order to reduce discrepancies in terms of service provision and standards; promote integration in socio-economic and functional terms; and provide for economic activities and employment opportunities.

The urban area of Nelson Mandela Bay has been divided into a number of planning units or entities, known as Sustainable Community Units. These are defined by the distance that an average person can comfortably walk in half

an hour, i.e. a 2 km radius. The planning methodology aims to provide the requirements for a minimum standard of planning and living within those areas; in other words, amenities, facilities and job opportunities must be within walking distance of all residents. All SCUs in Nelson Mandela Bay are to be linked by a public transport network, which will ensure that all areas are accessible to all communities by means of public transport, which is also required in terms of the Integrated Transport Plan.

Basic municipal facilities and services should be provided within walking distance of residential areas; higher order facilities can be located further away, as reflected below.

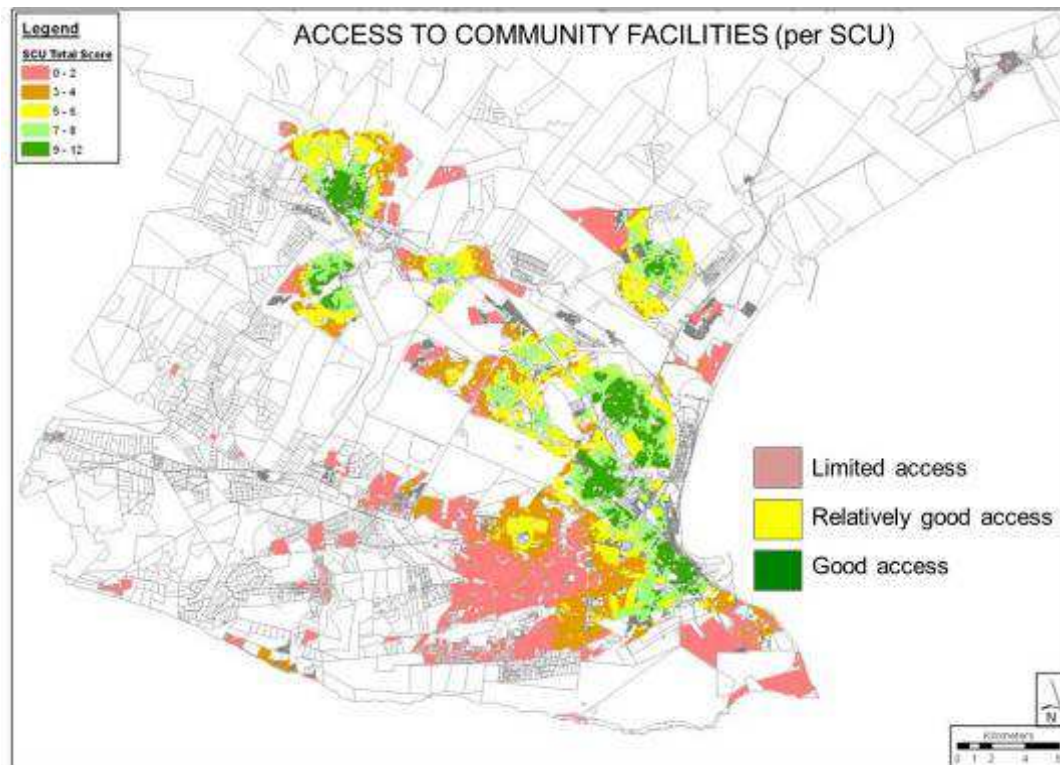
**FIGURE 5: Distance to Facilities**



Source: NMBM Sustainable Community Planning Guide 2007

A GIS analysis of the provision of facilities and services in Nelson Mandela Bay was undertaken. It shows that poorer areas have the highest provision. The analysis does not refer to a qualitative analysis; it is only quantitative.

The following composite plan shows the spatial provision of facilities and services.

**FIGURE 6: Access to Facilities**

Source: NMBM CorpGIS, 2010

The SCU planning methodology concept identifies the need to make higher levels of sustainability and integration in Nelson Mandela Bay the primary focus of SCU planning. The basis for sustainable community planning lies in the development principles adopted at national, provincial and local government levels, as supported by legislation and government policies.

The Municipality's Sustainable Community Planning methodology, which is currently being implemented, covers both existing and future areas of development. A fundamental principle of this plan is to have work opportunities closer to places of residence in order to reduce the need to travel. This is to be achieved through the planning of new areas to accommodate more than just housing developments but also through a paradigm shift on the location of new settlements closer to rather than further away from places of employment and social and public amenities. Peri-urban areas in which settlements exist, are also planned according to the

Sustainable Community Planning methodology, with a view to providing local job opportunities.

The development goals and principles of particular importance for spatial planning in SCUs are:

- (a) Poverty alleviation and the satisfaction of basic needs.
- (b) Focus on special needs groups (HIV and AIDS affected persons, children, the elderly, and persons with disabilities).
- (c) Gender equality and equity.
- (d) The environment (physical, socio-economic).
- (e) Participation and democratic processes.
- (f) Local economic development.
- (g) Accessibility (public transport and pedestrian focus).
- (h) Mixed-use development.
- (i) Corridor development.
- (j) Safety and security.
- (k) Variation and flexibility.
- (l) Appropriate densification.
- (m) Reducing urban sprawl.

To achieve both sustainability and integration, six functional elements need attention in relation to the above principles.

*These six functional elements are:*

- (a) Housing
- (b) Work
- (c) Services
- (d) Transport
- (e) Community
- (f) Character and identity

Focusing on these six elements, minimum standards are pursued to achieve an acceptable planning quality that will result in an improved quality of life for residents in these areas (for more detail on the planning methodology outlined above, refer to the *Sustainable Community Planning Guide*, dated June 2007; also available on the municipal website: [www.nelsonmandelabay.gov.za](http://www.nelsonmandelabay.gov.za)).

#### **2.1.1.1.1.2 Corridors and accessibility**

In restructuring Nelson Mandela Bay, the development of corridors along major routes that have the potential for integrated mixed land use development, supported by improved public transport services (e.g. the Khulani Corridor), is also envisaged. A Comprehensive Integrated Transport Plan (CITP) has been developed as a key component of the MSDF. This is currently under review.

As the primary goal of the CITP is to improve accessibility for all residents of Nelson Mandela Bay, it has a strong focus on public transport provision.

Visible implementation projects are the introduction of the Integrated Public Transport System, as well as pedestrian and cycle-paths along major roads.

#### **2.1.1.1.1.3 Economic development and growth**

This crucial component of the Spatial Development Framework seeks to generate means to support and enhance urban development. Various interventions may be utilised to support economic growth and development, based on a number of considerations, such as:

- (a) the importance of linking the residents of Nelson Mandela Bay to opportunities;
- (b) directing investments to places where they will have the greatest effect;

- (c) protecting and enhancing natural and cultural resources for sustainability and enriching the experience of Nelson Mandela Bay; and
- (d) weaving the growth of Nelson Mandela Bay strongly into the economic fabric of the Eastern Cape Province.

#### **2.1.1.1.2 Implementation and prioritisation**

The MSDF provides strategic guidance in respect of areas on which the Municipality should focus the allocation of its resources. In order to assist in prioritising projects and allocating resources, four main elements of the MSDF were isolated as geographic entities that could give guidance as to where the priority capital investment areas lie. These areas are:

- (a) Core economic areas
- (b) Infill priority areas
- (c) Strategic development areas
- (d) Service upgrading priority areas

The MSDF is also supported by a number of sectoral plans and topic-specific planning documents, including the following, as discussed earlier:

- (a) Strategic environmental assessment
- (b) Urban edge/Rural management and urban densification policies
- (c) Demographic study update
- (d) Land Use Management System
- (e) The Human Settlements Implementation Plan

### 2.1.1.1.3 MSDF sector plans

The various sector plans incorporated into the MSDF and which have major spatial implications for the MSDF, are as follows:

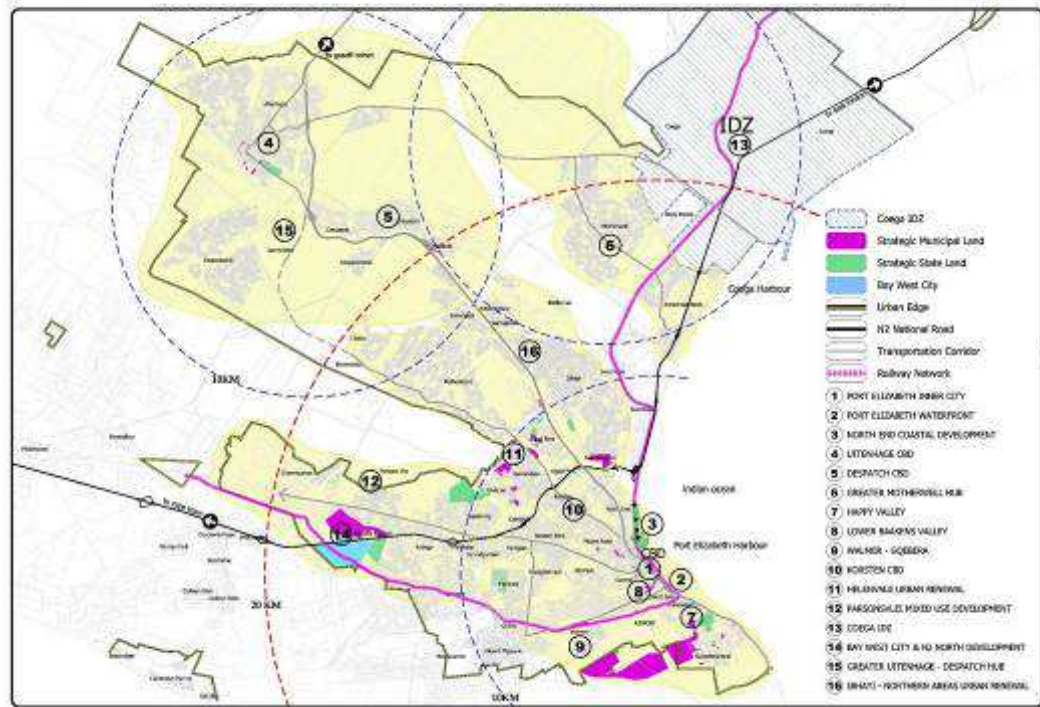
- (a) Coastal Management Plan
- (b) Coastal Development Line (Hazard Line) Study
- (c) Disaster Management Plan
- (d) Environmental Management Framework
- (e) Infrastructure Development Plan
- (f) Integrated Transport Plan
- (g) Integrated Waste Management Plan
- (h) Local Economic Development Strategy
- (i) Metropolitan Open Space System
- (j) Public Transport Plan
- (k) Tourism Master Plan
- (l) Integrated HIV and AIDS Plan
- (m) Water Master Plan
- (n) Sewerage Master Plan
- (o) Human Settlements Plan
- (p) Land Use Management System

In addition to this, with the preparation of the more detailed Local Spatial Development Frameworks and their approval, the MSDF becomes more detailed.

The MSDF is also supported by:

**The Human Settlement Framework Plan 2030:** The HSP has prioritised four main restructuring hubs focused around the Port Elizabeth CBD, Uitenhage CBD, Coega IDZ/Motherwell Hub and Bay West/N2/Parsonsvlei Hubs. This plan, approved by Council in December 2012, starts to talk to spatial restructuring in these urban hubs. These areas are shown in the figure below.

**FIGURE 7: Spatial Transformation and Priority Renewal Precincts**



Source: NMBM Human Settlements Implementation Plan

#### 2.1.1.1.4 Current status of the MSDF

The MSDF is continually being refined through on-going information gathering and studies. The legislation prescribes that the MSDF should be annually reviewed, with Council approval required every five years.

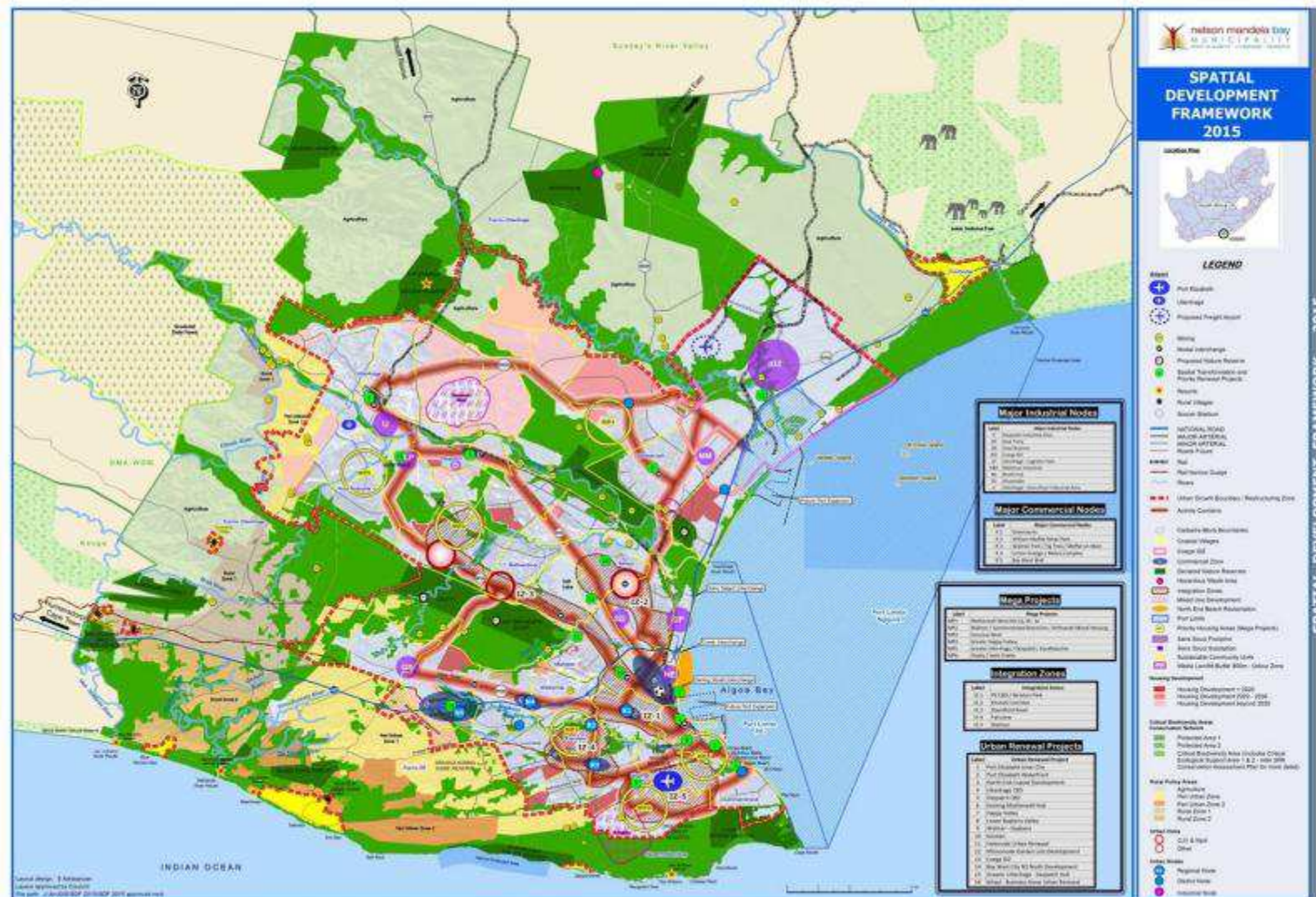
As part of the Capacity Support Implementation Plan, the Spatial Development Framework and Built Environment Strategy will be reviewed in 2016.

The refinement of the MSDF happens through the preparation of LSDFs and policy and plan adjustments over time.

The Spatial Development Framework of the Municipality is reflected in the plan below. The plan specifically shows the following aspects, which are dealt with in more detail in the Spatial Development Framework Report:

- Urban growth areas, phased over time
- Urban edge, beyond which development is limited
- Major development nodes
- Major transport routes, including corridors for investment and development
- Environmentally protected areas
- The low-income housing programme

Figure 8: Metropolitan Spatial Development Framework



Source: NMBM, 2015